

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION)
AND IMPLEMENTATION OF RULES FOR THE)
IDAHO NON-RURAL UNIVERSAL SERVICE)
FUND PURSUANT TO *IDAHO CODE* §)
62-610A-F.)

)

CASE NO. GNR-U-00-1
NOTICE OF PUBLIC
WORKSHOP
ORDER NO. 28262

On its own Motion, the Commission initiates this proceeding to examine what rules are necessary to implement an Idaho Non-Rural Universal Service Fund established pursuant to *Idaho Code* § 62-610A-F.

BACKGROUND

The 1998 Legislature amended Idaho Code Title 62 to create a new Universal Service Fund (USF). *See Idaho Code* ' ' 62-610A through F. *Idaho Code* §§ 62-610A-F require the Commission to “establish a competitively and technologically neutral funding mechanism which will operate in coordination with federal universal service support mechanisms.” Initially, this new fund will only be available to non-rural local exchange carriers¹ that meet the statutory criteria. *Idaho Code* § 62-610B also makes clear that all telecommunications providers, including “municipal, cooperative or mutual telephone companies and telecommunications companies providing wireless, cellular, personal communications services and mobile radio services for compensation” may be eligible for the new Non-Rural USF support and all their customers will pay a surcharge to fund the new USF.

This new USF differs considerably from the existing Idaho USF that currently provides high cost support to rural incumbent local exchange carriers (ILECs). *See Idaho Code* ' 62-610. Distributions from the present Idaho USF are generally calculated to meet residual revenue requirements for fully regulated Title 61 rural ILECs whose residential and small business rates are 125% of the weighted statewide average rates. The rural Idaho USF may be phased out sometime after January 1, 2001. *Idaho Code* ' 62-610F(4).

¹ Any application of this new fund to rural LECs to replace funding available pursuant to *Idaho Code* § 62-610 cannot begin earlier than January 1, 2001.

The new USF statute requires that disbursements from the new fund be used to defray costs, as determined by the Commission, for providing “universal service” to customers within a geographic support area. In calculating and determining those costs, the Commission must use a “forward-looking cost methodology.” *Idaho Code* § 62-610F(2). Therefore, on December 19, 1997, the Commission opened a docket to analyze cost models and adopt a forward-looking cost model as required by *Idaho Code* § 62-610F. (Case No. GNR-T-97-22). That docket is still open and further evidentiary proceedings are pending.

In response to the Legislature’s statutory directive, the Commission has taken several other steps toward establishing and implementing this new Idaho Non-Rural Universal Service Fund (Idaho Non-Rural USF).

In order to be eligible to receive this new Idaho Non-Rural USF support, local exchange carriers (LECs) must offer to provide “universal service” throughout the service area for which the designation is received. *Idaho Code* ' 62-610B(1). The Commission must designate both the services (“universal service”) that must be offered and the geographic area (“service area”) in which they must be offered. *See Idaho Code* §§ 62-610B-E.

Therefore, on July 16, 1998, the Commission opened two other dockets (GNR-T-98-7 and GNR-T-98-8). GNR-T-98-7 was opened to consider what telecommunications services constitute those services that must be made available to Idaho consumers by eligible telecommunications carriers to meet their obligation to provide universal service and receive Idaho Non-Rural USF support. The Commission designated those “universal services” September 8, 1998. Order No. 27715. The Commission has not issued any decision in GNR-T-98-8, because the appropriateness of the service area may be affected by the cost model chosen.

In January 2000, the Commission initiated GNR-T-00-2 to establish and implement the new Idaho Non-Rural USF, adopted a schedule for evidentiary proceedings and consolidated it with GNR-T-97-22.

The purpose for this negotiated rulemaking is to determine what rules are necessary to implement the new Idaho Non-Rural USF.

In anticipation of the public workshop scheduled below, any person may file comments with the Commission by March 14, 2000, indicating what areas should be covered by administrative rules. Persons filing comments need only file those comments with the Commission and the Commission will post all comments on its webpage for the public.

NOTICE OF PUBLIC WORKSHOP

YOU ARE HEREBY NOTIFIED that the Commission will convene an informal public workshop to examine what rules are necessary to implement the new Idaho Non-Rural USF. The workshop will commence at **9:30 A.M. ON TUESDAY, MARCH 28, 2000, IN THE COMMISSION'S HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO, (208) 334-0300.** The workshop will provide an opportunity for utilities, the Commission Staff, and others to explore what rules are necessary to implement the new Idaho Non-Rural USF. All utilities and interested persons are encouraged to attend and participate in the public workshop scheduled in the body of this Order.

YOU ARE FURTHER NOTIFIED that the Commission encourages utilities and other interested members to participate in the public workshop scheduled in the body of this Order.

YOU ARE FURTHER NOTIFIED that persons desiring to continue to participate in this case for the purpose of receiving comments, testimony or any other documents filed by other persons or Commission Orders or further notices issued by the Commission in this case, must notify the Commission Secretary in writing that they desire to be placed on a service list to receive comments, Orders, and Notices in this proceeding. **Persons desiring to participate in this case and remain on the service list must notify the Commission Secretary no later than fourteen (14) days from the service date of this Order.** The Commission Secretary shall then publish a Notice of Parties.

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act. Persons needing the help of a sign language interpreter or other assistance of the kind that the Commission is obligated to provide under the Americans with Disabilities Act in order to participate in or to understand the testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (TELEPHONE)
(208) 334-3151 (TEXT TELEPHONE)
(208) 334-3762 (FAX)

ORDER

IT IS HEREBY ORDERED that any person may file comments with the Commission by March 14, 2000, indicating what areas should be covered by the administrative rules. Persons filing comments need only file those comments with the Commission. The Commission will post all comments on its webpage for the public

IT IS FURTHER ORDERED that a public workshop be convened as set out in the body of this Order to determine what rules are necessary to implement the new Idaho Non-Rural USF. Utilities and other interested persons are encouraged to attend.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this day of January 2000.

DENNIS S. HANSEN, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

PAUL KJELLANDER, COMMISSIONER

ATTEST:

Myrna J. Walters
Commission Secretary

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